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SENATE

REPORT
100-292

NEVADA-FLORIDA LAND EXCHANGE AUTHORIZATION ACT

FEBRUARY 29 (legislative day, FEBRUARY 15), 1988.—Ordered to be printed

Mr. JOHNSTON, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 854]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 854), entitled the "Nevada-Florida Land Exchange Authorization Act of 1987, having considered the same, reports favorably thereon with an amendment to the text and to the title and recommends that the bill, as amended, do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nevada-Florida Land Exchange Authorization Act of 1988."

SEC. 2. DEFINITIONS.

As used in this Act:

(1) The term "land" means lands and interests (including the reserved mineral estate) therein, including leaseholds.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Aerojet" means the Aerojet-General Corporation, an Ohio corporation.

(4) The term "exchange agreement" means an agreement between the Secretary and Aerojet which is entered into for purposes of making the exchange authorized by this Act and which meets the requirements of this Act.

(5) The term "lease agreement" means an agreement between the Secretary and Aerojet which is entered into for the purpose of making the lease authorized and directed by this Act and which meets the requirements of this Act.

(6) The term "endangered or threatened species" means an endangered species or a threatened species, as defined in the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

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SEC. 3. EXCHANGE.

(a) AUTHORIZATION.—Subject to valid existing rights, the Secretary is authorized and directed to convey and lease public lands in the State of Nevada, described in subsection (b)(1), in exchange for the conveyance to the United States of the lands in Dade County, Florida, described in subsection (b)(2).

(b) LANDS TO BE EXCHANGED.—

(1) NEVADA.—(A) Public lands to be conveyed by the Secretary pursuant to this Act are the public lands, comprised of approximately twenty-eight thousand eight hundred acres, described as "For Conveyance to Aerojet General Corporation" on the map entitled "Public Domain Lands to be Exchanged and Leased to Aerojet-General Corporation, Clark and Lincoln Counties, Nevada," dated October 1987, and the public lands, comprised of approximately ten thousand and forty acres, generally depicted on the map entitled "Public Domain Lands to be Exchanged to Aerojet-General Corporation, Mineral County, Nevada," dated February 1987.

(B) In furtherance of an exchange pursuant to this Act, the Secretary shall also lease to Aerojet the lands described in section 4.

(2) FLORIDA.—The private lands to be acquired by the Secretary pursuant to this Act are all right, title, and interest of Aerojet (exclusive of severable use rights) in and to approximately four thousand six hundred and fifty acres of land as generally depicted on the map entitled "Aerojet-General Corporation Lands to be Exchanged to United States Fish and Wildlife Service, Dade County, Florida," dated February 1987, and available for inspection in the Office of the Secretary.

(c) CONVEYANCE DOCUMENTS.—

(1) BEFORE SURVEY.—Lands to be conveyed by the United States pursuant to this Act which have not been surveyed, or with respect to which any boundary needs to be surveyed, shall be conveyed by an interim conveyance. An interim conveyance under this paragraph shall convey to and vest in the recipient the same right, title, and interest in and to such lands as the recipient would have received in a patent issued pursuant to this Act.

(2) PATENT.—Upon being surveyed, the Secretary shall issue a patent for such lands. The boundary of such lands shall be that which was defined in and conveyed by the interim conveyance, except that the boundary may be corrected and redescribed in the patent, where necessary, as a result of the survey of such lands.

(3) FINALITY.—The issuance of an interim conveyance or patent pursuant to this section shall be subject to valid existing rights and shall be final and irrevocable. The United States shall not be required to accept a reconveyance or to take any actions with regard to the lands covered by such interim conveyance or patent.

(4) DISCREPANCIES.—The acreages cited in this Act are approximate, and in the event of discrepancies between cited acreages and the maps referred to in this section, the maps shall control.

(d) TERMS AND CONDITIONS.—The Secretary shall include in any interim conveyance, patent, or lease subject to this Act all terms and conditions required by this Act. Such terms and conditions shall apply to all subsequent purchasers, transferees, and other holders of any land covered by any such interim conveyance, patent, or lease.

(3) LEGAL DESCRIPTION.—Within six months after the completion of an exchange pursuant to this Act, the Secretary shall file maps and legal descriptions of the lands so exchanged (including lands conveyed and leased by the United States) with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives. Such legal descriptions shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in such legal descriptions and in the maps referred to in subsection (a). Such legal descriptions and maps shall also be on file and available for public inspection in the Nevada office of the State Director of the Bureau of Land Management, Department of the Interior. For purposes of this subsection, the issuance of a conveyance document (either a patent or an interim conveyance) or lease, whichever is later, shall constitute completion of an exchange.

SEC. 4. LEASE OF CERTAIN LANDS IN NEVADA.

(a) LEASE.—

(1) GENERAL AUTHORITY.—The Secretary is authorized and directed to lease to Aerojet the approximately fourteen thousand acres of public lands described as

"for Lease to Aerojet" on the map entitled "Public Lands to Exchanged and Leased to Aerojet-General Corporation, Clark and Lincoln Counties, Nevada," dated October 1987. Any such lease shall be subject to subsection (b) and to the terms and conditions specified in section 5.

(2) WITHDRAWAL.—Subject to valid existing rights, the lands described in paragraph (1) are withdrawn from all forms of entry and appropriation under the public land laws (including the mining laws) and from the operation of the mineral leasing and geothermal leasing laws. The withdrawal of such lands shall remain in effect so long as such lands are leased under authority of this Act.

(b) REQUIREMENTS RELATING TO LEASE.—

(1) TERM.—Any lease issued pursuant to subsection (a) shall be for an initial term of ninety-nine years, during which time no rental shall be required to be paid to the United States. Lands leased pursuant to subsection (a) shall not be deemed to be entitlement lands for purposes of Public Law 94-565 (31 U.S.C. 1601 et seq.).

(2) USE OF LEASED LANDS—During the term of any lease issued pursuant to subsection (a), the lessee shall be entitled to use the lands which are subject to such lease only for purposes of constructing and using necessary roads, utility lines, storage facilities, and wells. The lessee also shall be entitled to use such lands for such other related purposes as the Secretary may from time to time permit, subject to the requirements of this Act and other applicable law and to reasonable requirements the Secretary, acting through the Director of the Fish and Wildlife Service, may establish for the protection of fish, wildlife, or plants. The lease shall provide that the lessee shall consult with the Secretary concerning the location of any roads, utility lines, facilities, and wells on the leased lands, and that with regard to any such location, the lessee, so far as possible, shall follow recommendations of the Secretary intended to minimize adverse impacts on the desert tortoise and other species of wildlife or plants.

(3) FISH, WILDLIFE, AND PLANTS.—Any lease issued pursuant to subsection (a) shall require the leasee to take all reasonable steps the Secretary, acting through the Director of the Fish and Wildlife Service, may from time to time require to minimize adverse impacts on desert tortoises and any other species of fish, wildlife, and plants (including, but not limited to, endangered or threatened species) from the lessee's activities occurring on such lands.

(4) ASSIGNABILITY.—A lease issued pursuant to this section may be assigned or transferred by Aerojet only with the consent of the Secretary, which shall not be unreasonably withheld.

SEC. 5. CONDITIONS OF EXCHANGE.

(a) VALUE.—

(1) EQUALIZATION OF VALUE.—Any exchange of lands pursuant to this Act shall be on the basis of equal value as determined by the Secretary, except that the Secretary may accept a payment of money in order to equalize values between lands transferred, or leased, to Aerojet by the Secretary and lands transferred to the United States by Aerojet. The Secretary shall require that any conveyance of a production well drilled at Federal expense which Aerojet or its successors or assigns subsequently uses for withdrawal of water for industrial purposes shall be in consideration of receipt by the United States of land or money equal in value to the cost of drilling a well suitable for industrial purposes and located at the same site as the well conveyed.

(2) APPRAISAL.—Any determination by the Secretary of values of lands to be conveyed or leased by the Secretary pursuant to this Act shall be based on the fair market value of such lands, as determined by appraisals carried out in accordance with established procedures used by the Bureau of Land Management and done after the date of enactment of this Act by qualified appraisers selected and reimbursed by the Secretary. The value of lands to be conveyed by Aerojet pursuant to this Act shall be the values agreed to pursuant to section 7(a).

(3) NOTICE AND PUBLIC INSPECTION.—Upon completion of such appraisals, the Secretary shall—

(A) publish in newspapers of general circulation in Clark, Lincoln, and Mineral Counties, Nevada, a notice as to where and when the results of appraisals carried out pursuant to this Act will be available for public inspection, and

(B) transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of

Representatives a copy of such appraisals and the determination by the Secretary of the values of lands to be conveyed and leased.

The Secretary shall not issue any interim conveyance, patent, or lease pursuant to this Act before ten days after such transmittals are made to the committees specified in subparagraph (B).

(b) TRANSMISSION CORRIDOR.—

(1) RESERVATION TO THE UNITED STATES.—The transfer of the lands in Clark and Lincoln Counties, Nevada, to be conveyed to Aerojet under this Act shall be subject to the reservation to the United States of the right-of-way corridor described in the draft exchange agreement referred to in subsection (g). This corridor shall be designated and administered by the Secretary, who may grant rights-of-way over, upon, under, and through the corridor for systems and facilities used or useful for the construction, operation, and maintenance of electric transmission lines consistent with title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.).

(2) ACTIVITIES IN TRANSMISSION CORRIDOR.—Activities to construct, operate, and maintain electric transmission lines within the corridor shall be given priority over all conflicting activities. The Secretary shall take all reasonable actions to facilitate and protect the activities planned and proposed for the land in Clark County and Lincoln County, Nevada, referred to in section 3(b), by Aerojet-General Corporation relating to the development, manufacture, and testing of rocket motors or other aerospace and defense products, including the granting of rights-of-way to Aerojet-General Corporation for roads across the corridor connecting the eastern and western portions of the land in Clark County and Lincoln County, Nevada, referred to in section 3(b).

(3) ALTERNATIVE TO CORRIDOR ON CERTAIN LANDS.—If, after five years from the date of enactment of this Act, other public lands within the six-mile width of land immediately west of the Clark County and Lincoln County, Nevada, land referred to in section 3(b) are returned to multiple use, are suitable as an alternative to the corridor reserved in this subsection and are made available for the construction, operation, and maintenance of electric transmission lines, no further rights-of-way or other rights or privileges to construct, operate, and maintain electric transmission lines within the corridor reserved in this subsection shall be granted by the Secretary unless—

(A) such rights-of-way or other rights or privileges are pursuant to or in furtherance or continuation of the specific rights referred to in subsection (c);

(B) at the time the land becomes so available there is pending an application for a right-of-way in the corridor reserved in this subsection and in the opinion of the Secretary such application is being diligently pursued; or

(C) such rights-of-way or other rights or privileges are in renewal of a right-of-way granted prior to the land becoming so available.

(c) PRESERVATION OF EXISTING RIGHTS.—The existing rights referred to in section 3(a) include the right-of-way (Number U-42519, granted April 3, 1980) to construct, operate, and maintain an electric transmission line from the Intermountain Power Project at Delta, Utah, through the land in Clark County and Lincoln County, Nevada, referred to in section 3(b), and the interest of the White Pine Power Project in the Southern Transmission System (described and analyzed in the final Environmental Impact Statement as the selected alternative and displayed on the map attached to the Record of Decision approved on March 26, 1985), within the land in Clark County and Lincoln County, Nevada, referred to in section 3(b). Nothing in this Act or in the draft exchange agreement referred to in subsection (g) shall negate or diminish such existing rights in any respect, except that (unless otherwise agreed to by the owner of the land in Clark County and Lincoln County, Nevada, referred to in section 3(b)) on and after the consummation of the exchange of lands authorized by this Act and without further act by the holders of such existing rights, such existing rights shall be altered so that—

(1) all transmission lines and related facilities to be located on the land in Clark County and Lincoln County, Nevada, referred to in section 3(b) pursuant to such existing rights may only be located within the corridor referenced in subsection (b); and

(2) the right to locate such transmission lines and related facilities pursuant to such existing rights on the land in Clark County and Lincoln County, Nevada, referred to in section 3(b) outside of that corridor shall be extinguished and of no further force or effect.

(d) OFF-ROAD VEHICLES AND ALL-TERRAIN VEHICLES.—Except for purposes of administration or in cases of emergency or for public safety, off-road vehicles and all-

terrain vehicles may not be used on unroaded portions of land located in the State of Nevada which is conveyed or leased under this Act.

(e) IMMUNITY.—Notwithstanding any other provision of law, the United States, its officers, employees, and instrumentalities, may not be held liable for, and shall be immune from, any claim arising from any acts or omissions of Aerojet, its employees, agents, successors, or assigns, on or related to any land conveyed or leased pursuant to this Act.

(f) OTHER REQUIREMENTS.—Any exchange pursuant to this Act (including any conveyance and any lease) shall be performed in accordance with and subject to the terms of this Act, the exchange agreement, and the lease agreement.

(g) AGREEMENTS.—

(1) IN GENERAL.—The issuance of any interim conveyance, patent, or lease in furtherance of an exchange under this Act shall be governed by and be in accordance with a written exchange agreement and lease agreement between the Secretary and Aerojet which shall incorporate the relevant terms and conditions of this Act. Such agreements shall incorporate all provisions of the draft exchange agreement and draft lease agreement, respectively, dated October 1, 1987, printed as Appendices to the Report of the Committee on Energy and Natural Resources to accompany S. 854 (S. Rept. 100–*292*), which are not inconsistent with this Act.

(2) LIMITATIONS.—The Secretary shall not agree to the inclusion in the exchange agreement of any terms or conditions which, after completion of the exchange authorized and directed by this Act, would limit the ability of the Secretary to properly manage lands in Nevada or Florida for which the Secretary will have responsibility, or which, after completion of such exchange, would prevent the Secretary from properly discharging the responsibilities of the Secretary under any then-applicable provision of law. Nothing in the exchange agreement shall afford Aerojet or any other party a preferential position with regard to purchase or lease of any public lands other than those described in this Act.

(3) RULE OF CONSTRUCTION; NOTIFICATION.—In the case of any inconsistency between the terms of the exchange agreement or the lease agreement or any amendments thereto and this Act, the provisions of this Act shall prevail. The Secretary shall not agree to any amendment to either the exchange agreement or the lease agreement without first consulting with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and shall transmit copies of any such amendment to such committees at the time of agreeing to such amendment.

SEC. 6. HABITAT PROTECTION.

(a) GROUNDWATER.—

(1) MONITORING OF CONDITIONS AND HABITAT.—The Secretary, acting through the Director of the Fish and Wildlife Service, shall monitor the conditions and habitat of endangered or threatened species whose habitat the Secretary believes could be affected by the withdrawal of groundwater from the aquifer beneath lands conveyed or leased pursuant to this Act.

(2) POTENTIAL ADVERSE EFFECTS.—If the Secretary has reasonable evidence to believe that the withdrawal of groundwater from the aquifer beneath lands conveyed and leased pursuant to this Act is likely to adversely affect the habitat of any endangered or threatened species, the Secretary shall—

(A) promptly notify Aerojet (or its successors or assigns in the event that Aerojet has transferred its interests in such lands), the Committee on Energy and Natural Resources of the Senate, the Committee on Interior and Insular Affairs of the House of Representatives, and the State Engineer of Nevada concerning such likely adverse effect of such withdrawal; and

(B) request the State Engineer to take appropriate action, in accordance with applicable laws of the State of Nevada, to ascertain whether the withdrawal of groundwater from such aquifer is in fact reducing the supply of water to the habitat of any endangered or threatened species, and, if so, to mitigate that reduction in accordance with applicable laws of the State of Nevada.

(3) DEPLETION.—In the event that the State Engineer of Nevada determines that the withdrawal of groundwater from beneath lands conveyed or leased pursuant to this Act or from beneath other lands underlain by the same aquifer is causing depletion of water to a surface water habitat of any endangered or threatended species, Aerojet (or its successors or assigns) and the Secretary shall jointly petition the State Engineer to reduce the total water allocation in

the affected area, or to take any other actions authorized by State law, in order to eliminate such depletion of water to such habitat.

(b) ALTERNATIVE SOURCES OF WATER.—The Secretary may not convey or lease lands under this Act until the Secretary has been assured by the State Engineer of Nevada that Aerojet has developed a feasible plan, consistent with applicable laws of the State of Nevada, for obtaining an alternative source of water (other than the withdrawal of groundwater from the aquifer beneath lands conveyed and leased under this Act) to be used, in total or in part, in the event that Aerojet or a successor in interest is required to cease pumping groundwater from beneath the conveyed or leased lands.

(c) ACCESS FOR MONITORING.—The Secretary, acting through the Director of the Fish and Wildlife Service, shall have access at any time to any land conveyed or leased under this Act to monitor—

(1) the pumping of groundwater from such land,

(2) the condition of endangered or threatened species located on such land,

(3) the impact of any activity occurring on such land on wildlife and plants, including (but not limited to) endangered or threatened species.

In exercising such right of access, the Secretary shall afford reasonable notice to Aerojet (or its successors or assigns).

(d) POLLUTION CONTROLS.—Nothing in this Act shall be construed as limiting or impairing the power of any Federal or State agency to monitor and regulate the handling by Aerojet or its successors in interest of hazardous materials or wastes or air or water pollutants to assure compliance with applicable State and Federal laws. The Secretary, from time to time, shall consult and cooperate with the Administrator of the Environmental Protection Agency and appropriate officials of the State of Nevada to facilitate such monitoring and regulation.

SEC. 7. TRANSFER OF FLORIDA LANDS TO WATER MANAGEMENT DISTRICT.

(a) SALE TO SOUTH FLORIDA WATER MANAGEMENT DISTRICT.—Notwithstanding any other provision of law, the Secretary is authorized and directed to sell by issuance of a quitclaim deed any lands acquired in accordance with an exchange pursuant to this Act to the South Florida Water Management District at such per-acre price as may be mutually agreed upon by the Secretary and the District.

(b) USE OF FUNDS RECEIVED BY THE UNITED STATES.—Notwithstanding any other provision of law, any funds received by the United States from the sale of lands authorized by subsection (a) and from any payments by Aerojet to equalize values of lands exchanged pursuant to this Act shall be deposited in the "Contributed Fund Account" of the Fish and Wildlife Service, and shall be utilized for the purchase of additional lands at existing elements of the National Wildlife Refuge System in the State of Florida. Such funds shall be available for obligation without appropriation.

(c) NOTICE TO CONGRESS.—The Secretary shall notify the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives of any proposal to obligate funds received in accordance with the provisions of subsection (a) at least sixty days prior to the obligation of such funds.

SEC. 8. WILDERNESS STUDY AREAS.

Any public land in the State of Nevada which, as of March 1, 1987, was managed pursuant to section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782) shall be retained in Federal ownership and shall continue to be so managed until Congress determines otherwise.

SEC. 9. CLAIMS.

Nothing in this Act or in the exchange and lease agreements shall be construed as affirming or denying the validity of any claim which is pending on the date of enactment of this Act by any Indian tribe or any other person with respect to any lands in Nevada.

SEC. 10. JUDICIAL REVIEW.

(a) GENERAL PROVISIONS.—Except as provided in subsection (b), nothing in this Act shall be construed as limiting any right of the Secretary or any other person to bring any action with regard to the responsibilities of the Secretary or any other person under applicable law, as affected or modified by this Act. The Secretary shall not include in the exchange agreement any term or condition that would limit the ability of the Secretary to bring any action or take any other step the Secretary may find appropriate in order to carry out the responsibility of the Secretary under this Act or any other applicable provision of law, as affected or modified by this Act.

(b) FINDING AND LIMITATION.—The Congress hereby finds that studies and analyses completed prior to the date of enactment of this Act have made available information sufficient to meet the objectives of the National Environmental Policy Act of

1969 and other relevant law so far as concerns the possible environmental and other effects of the conveyance and lease of public lands in Nevada as provided for in this Act, and that the provisions of this Act adequately address such possible effects.

(c) LIMITATION.—Based on the finding set forth in subsection (b), the Congress directs that the execution or consummation of any agreement, or the issuance of an interim conveyance, patent, or lease, pursuant to and in accordance with the provisions of this Act, shall not be subject to judicial review with respect to any complaint alleging a failure by the Secretary or any other person to comply with any provision of law other than the provisions of this Act.

SEC. 11. DEADLINE.

It is the sense of Congress that the Secretary shall execute the exchange agreement and the lease agreement and shall implement the conveyance and lease of lands pursuant to this Act no later than one hundred and twenty days after the date of enactment of this Act.

SEC. 12. DESERT TORTOISE PLAN.

(a) PREPARATION.—The Secretary shall—

(1) review the status of populations of desert tortoises on lands in Nevada and other States managed by the Secretary, other than lands conveyed or leased pursuant to this Act;

(2) assess the nature and extent of threats to the continued health or stability of such populations on such lands; and

(3) prepare a comprehensive plan to address such threats through—

(A) reductions in the extent to which uses of such lands which are potentially harmful to such populations are permitted to occur; and

(B) other measures to remove or mitigate such threats.

(b) CONSULTATION.—In preparing the plan required by subsection (a), the Secretary shall consult with State officials, other Federal agencies responsible for management of lands where desert tortoise populations are located, the Desert Tortoise Council, and other persons or groups identified by the Secretary as having expertise relevant to the requirements of this section.

(c) DEADLINES AND REPORTS.—

(1) REVIEW AND ASSESSMENT.—The review and assessment required by paragraphs (1) and (2) of subsection (a) shall be completed and the results thereof shall be made available to the public and transmitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives no later than two years after the date of enactment of this Act.

(2) PLAN.—The plan required by subsection (a)(3) shall be developed and transmitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives no later than three years after the date of enactment of this Act. A failure by the Secretary to transmit such report within such three-year period shall not relieve the Secretary from the requirement to prepare such plan.

2. Amend the title so as to read: "A bill entitled the 'Nevada-Florida Land Exchange Authorization Act of 1988' ".

PURPOSE OF THE MEASURE

The purpose of S. 854, as ordered reported, is to authorize and direct the Secretary of the Interior to exchange and/or lease certain public lands located in the State of Nevada for certain private lands currently owned by the Aerojet-General Corporation in the State of Florida.

BACKGROUND AND NEED

S. 854 would authorize and direct the Secretary of the Interior to exchange approximately 38,800 acres of land administered by the BLM in Nevada for approximately 4,650 acres of lands currently owned by Aerojet-General Corporiation (Aerojet) in Florida. In addition, as part of the agreement, approximately 14,000 acres of BLM land in Nevada would be leased to Aerojet. Aerojet proposes

to use the Nevada lands for rocket testing and assembly purposes as well as weapons testing.

The Department of the Interior would be authorized to sell, at not less than fair market value, the Aerojet lands in Florida acquired through the exchange to the South Florida Water Management District. The proceeds from this sale would then be deposited in the "Contributed Fund Account" of the U.S. Fish and Wildlife Service, to be used, without further appropriation, for the acquisition of lands within existing units of the National Wildlife Refuge System in Florida.

Federal legislation is necessary to accomplish this exchange since it involves lands in two different States. The Federal Land Policy and Management Act prohibits interstate exchanges involving BLM lands.

The exchange provided for in S. 854 is to be performed in accordance with the terms and conditions of an exchange and lease agreement to be entered into by the Secretary of the Interior and Aerojet subsequent to the enactment of this Act. These agreements must be consistent with the purposes of the Act and are to be based upon and incorporate the provisions of the draft agreements between the parties included as appendicies to this report.

These agreements, as well as the provisions of S. 854 itself, are designed to help ensure that environmental impacts associated with Aerojet's activities on the lands to be acquired from the Federal Government as a result of this exchange are minimized. The Committee believes that this measure, as ordered reported, will benefit Nevada by providing jobs and diversified development opportunities; Aerojet will have a suitable place to conduct its important defense related research and development activities; the State of Florida will benefit through the acquisition of sensitive wetland areas; and the Federal Government (and the American people) will benefit through the acquisition of additions to the National Wildlife Refuge System.

LEGISLATIVE HISTORY

S. 854 was introduced by Senators Hecht and Reid on March 26, 1987. A hearing before the Subcommittee on Public Lands, National Parks and Forests was conducted on June 30, 1987. A similar measure (S. 2758) was introduced in the 99th Congress. Hearings were held on that measure on September 19, 1986, but no further action was taken.

At a business meeting on February 17, 1988, the Senate Committee on Energy and Natural Resources ordered S. 854, as amended, favorably reported.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on February 17, 1988, by unanimous voice vote of a quorum present recommends that the Senate pass S. 854, if amended, as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 854, the Committee adopted an amendment in the nature of a substitute. A summary of the major differences between the substitute and S. 854 as introduced follows. More detailed information on the provisions of the substitute is included in the Section-by-Section Analysis portion of this report.

1. Leasing provisions

As introduced, S. 854 would have conveyed approximately 52,800 acres of BLM lands in Nevada to Aerojet in fee in exchange for certain Aerojet holdings in Florida. The substitute conveys approximately 38,000 acres in fee and provides for a long-term lease arrangement between the Secretary of the Interior and Aerojet for the remaining 14,000 acres.

2. New appraisals

The substitute requires the Secretary of the Interior to prepare a new appraisal after the date of enactment of the Act for the purposes of determining value of the Nevada lands involved in the proposed exchange. The appraisal must be available to Congress and the public for 60 days before the exchange can be completed.

3. Exchange and lease agreements

The substitute provides general guidelines and criteria for the preparation of the land exchange and lease agreements between the Secretary and Aerojet, some of which were not included in the bill as introduced. The substitute also incorporates, by reference, draft agreements which are included in an appendix to this report to guide the Secretary and Aerojet in the preparation of the final exchange and lease documents.

4. Endangered species

The substitute includes several provisions not in the bill as introduced dealing with potential impact of ground water depletion on threatened or endangered species. The provisions are discussed in detail in the Section-by-Section Analysis portion of this report.

In addition, the substitute, unlike S. 854 as introduced, provides that the exchange itself cannot take place until the Nevada State Engineer certifies to the Secretary that Aerojet has a legal and feasible plan to obtain alternative water supplies for its Nevada operations to be used in the event that pumping from the acquifer is ordered reduced or halted.

5. Transmission corridor

The substitute explicitly reserves a transmission corridor along the western side of the Lincoln/Clarke County lands.

6. Deadline

As introduced S. 854 required implementation of the exchange within 90 days after enactment. The substitute provides that it is the "sense of Congress" that the exchange should be completed with 120 days after enactment.

7. Immunity.

The substitute includes a provisions, not in the bill as introduced, which immunizes the United States against any claims for damages based on activities of Aerojet or its successors on the Nevada lands.

8. Wilderness study areas

The substitute adds a provision stating that all BLM lands in Nevada being managed as wilderness study areas on March 1, 1987, must continue to be so managed until Congress determines otherwise.

9. Judicial review

The substitute precludes judicial review of the execution of agreements and issuance of documents to convey and lease the Nevada lands so long as such activities are done in compliance with the terms of the Act.

10. Desert tortoise plan

Finally, the substitute requires the Secretary to study that status of desert tortoise populations on lands other than those which are the subject of the exchange and directs him to prepare a plan to reduce any threats to health or stability of such populations.

SECTION-BY-SECTION ANALYSIS

Section 1 provides a short title, the "Nevada-Florida Land Exchange Authorization Act of 1988".

Section 2 defines several terms used throughout the Act.

Section 3 authorizes and directs the Secretary of the Interior ("Secretary") to convey and lease certain specific public lands in Nevada to the Aerojet-General Corporation ("Aerojet") in exchange for the conveyance to the United States of certain specific lands in Florida.

Subsection (a) provides explicit authorization and direction for the Secretary to make the exchange, subject to valid existing rights.

Subsection (b) specifies, through reference to appropriate maps, the lands and interests therein to be exchanged. The affected public lands include 28,800 acres in Clark and Lincoln Counties, and an additional 10,040 acres in Mineral County, all in Nevada, which would be conveyed in fee to Aerojet; in exchange, approximately 4,650 acres in Dade County, Florida owned by Aerojet would be transferred (exclusive of severable use rights) to the United States. The subsection also requires the Secretary to lease to Aerojet additional Nevada lands (approximately 14,000 acres) as specified in section 4. It should be noted that the lands in Lincoln and Clark Counties are among the Federal lands which were considered for possible basing of the MX missile and that extensive studies of those lands were done in connection with that proposal.

Subsection (c) deals with the methodology and documentation for conveyances by the United States under the Act. It requires the Secretary to issue an interim conveyance to Aerojet for lands to be conveyed which have not been fully surveyed. Upon survey, a

patent would be issued, but an interim conveyance would give Aerojet the same right, title, and interest as such a patent. Issuance of either an interm conveyance or a patent would be subject to valid existing rights and would be final and irrevocable; the United States would be under no obligation to accept a reconveyance or to take any actions with regard to lands covered by either an interim conveyance or a patent. The subsection (in paragraph (4)) also makes it clear that in the event of discrepancies between relevant maps and the approximate acreage cited in the Act, the maps will control.

Subsection (d) requires the Secretary to include in any interim conveyance, patent, or lease issued under the Act all the terms and conditions required by the Act, which would apply to all subsequent purchasers, transferees, or other holders of the land.

Subsection (e) provides for filing of legal descriptions and for availability of such descriptions for public inspection.

Section 4 authorizes and directs the Secretary to lease certain lands in Nevada to Aerojet.

Subsection (a) authorizes and directs the Secretary to lease the lands and specifies the lands to be leased through an appropriate map reference. The lands involved are part of the Lincoln-Clark County tract and have relatively important concentrations of desert tortoises and other wildlife values. In view of this fact, it was determined that a long-term lease of these lands rather than a conveyance in fee was appropriate. The subsection would withdraw these lands from all forms of entry and appropriation under the public lands laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws; this withdrawal would remain in effect so long as the lands are under the lease.

Subsection (b) includes a number of provisions dealing with the terms and conditions of the lease applicable to the lands specified in subsection (a). The lease would be for an initial term of 99 years during which no rental shall be required to be paid to the United States. In recognition of the ability of local government in Nevada to tax leaseholds used in business, the subsection specifies that the leased lands will not be considered to be entitlement lands for purposes of Public Law 94–565, which provides for payments in lieu of taxes with respect to certain Federal lands.

The subsection specifies that the leased lands may be used only for such roads, utility lines, storage facilities, and wells as may be necessary, unless the Secretary should permit use of the lands for related purposes, subject to the requirements of the Act and other applicable law and to reasonable requirements the Secretary (acting through the Fish and Wildlife Service) might impose for the protection of fish, wildlife, or plants. With regard to the location of roads, utility lines, facilities, and wells, the lessee would have to consult the Secretary and would be required, so far as possible, to follow Secretarial recommendations intended to minimize adverse impacts on the desert tortoise and other species of wildlife or plants. The subsection would also require that any proposed assignment or transfer of the lease could occur only with the consent of the Secretary, which could not be unreasonably withheld.

Section 5 provides the conditions under which the exchange would occur.

Subsection (a) provides that the exchange would be on the basis of equal value, which, for the Nevada lands, would be determined on the basis of appraisal done after the date of enactment by qualified appraisers selected and reimbursed by the Secretary and applying established procedures. With regard to the Florida lands, the land values would be established on the basis of an agreement between the Secretary and the South Florida Water Management District (described in section 7). The subsection also requires that any conveyance of a well drilled at Federal expense which Aerojet or its successors in interest may subsequently use for water shall be in consideration of receipt of land or money equal in value to the cost of drilling a well suitable for industrial purposes at the location of the conveyed well. (This requirement would apply not only to the so-called "MX well" which was drilled at Federal expense when Nevada was proposed as a site for basing the MX missile, but also to any other similar well drilled at Federal expense.) Finally, the subsection provides for an opportunity for the public and the Congress to review relevant appraisals.

Subsection (b) provides that the conveyance of the Nevada lands in Lincoln and Clark Counties would be subject to the reservation to the United States of a specified right-of-way corridor for electric transmission lines. This subsection is included in recognition of existing proposals for such facilities that have been advanced by the Los Angeles Department of Water and Power and other parties.

Subsection (c) states that the right-of-way to construct, operate, and maintain an electric transmission line from a power project at Delta, Utah, and the interest of the White Pine Power Project in the Southern Transmission System (as described and analyzed in a referenced environmental impact statement) would be among the existing rights to which the exchange is to be subject, but that these rights are to be exercised in the corridor to be reserved under subsection (b).

Subsection (d) provides that off-road or all-terrain vehicles could not be used on the unroaded portions of the Nevada lands to be conveyed and leased, except for purposes of administration (including administration by Aerojet or its successors in interest) or in emergencies or for public safety.

Subsection (e) ensures that the United States, its officers, employees, and instrumentalities would be immune from any liability with regard to any claim arising from acts or omissions of Aerojet (or its employees, agents, successors, or assigns) on or related to any land conveyed or leased pursuant to the act. This would have the effect of preventing any recovery of damages from the United States in any tort action based on acts or omissions of Aerojet on or in relation to the Nevada lands; of course, it would not preclude the United States, Aeroject, or anyone else from taking appropriate legal action to require that the parties to the exchange meet all their legal obligations in connection with the conveyance and lease and other aspects of the exchange.

Subsection (f) states that all aspects of the exchange are to be performed in accordance with the terms of the act and the agreements (i.e., the exchange agreement and the lease agreement) which would provide the framework for its implementation.

Subsection (g) deals with the agreements for implemetation of the exchange. If requires that the Secretary and Aerojet enter into an "exchange agreement" and a "lease agreement" for the conveyance and lease of the respective portions of the Nevada lands convered by the Act. These agreements would have to incorporate all provisions of draft agreements (printed as appendices to this report) previously submitted to the Committee, so far as consistent with the bill itself. The agreements (or amendments thereof) could not include any terms or conditions which would limit the Secretary's ability to properly manage lands in Nevada and Florida or which would prevent the Secretary from properly discharging the Secretary's responsibilities under any provision of law; and the subsection provides that nothing in the exchange agreement is to afford Aerojet or any other party a preferential position with respect to purchase or lease of any public lands other than those specifically dealt with in the bill. The Committee expects the Secretary to take all appropriate actions in connection with management of the public lands to respond to use of the Nevada lands in ways that could have adverse effects on fish or wildlife or other resources and values of lands in Nevada.

Section 6 deals with the protection of the habitat of endangered or threatened species, and with related matters.

Subsection (a) deals with groundwater. It requires the Secretary, acting through the Fish and Wildlife Service, to monitor the conditions and habitat of endangered or threatened species (such as certain species of desert fish) whose habitat the Secretary believes could be affected by withdrawal of groundwater from the aquifer beneath lands conveyed or leased under the Act. If the Secretary should have reasonable evidence to believe that such withdrawal is likely to adversely affect the habitat of any threatened or endangered species, the Secretary is required, first, to notify Aerojet, appropriate Congressional committees, and the Nevada State Engineer; second, to request the State Engineer to act, pursuant to State law, to determine whether the withdrawal is in fact reducing the water supply to such habitat and, if so, to take action under State law to mitigate that condition. Finally, if the State Engineer determines that withdrawal of groundwater from the aquifer beneath conveyed or leased lands is depleting the surface water habitat of an endangered or threatened species, the Secretary and Aerojet (or its successor or assigns) are to jointly petition the State Engineer to reduce water allocations, or take other action authorized by State law, so as to eliminate the depletion.

Subsection (b) provides that the Secretary could not convey or lease any lands under the bill until he has received assurances from the Nevada State Engineer that Aerojet has developed a legal and feasible plan for obtaining an alternative source of water (other than the aquifer under the Nevada lands addressed by the Act) to be wholly or partly used in the event that pumping from that aquifer is ordered halted.

Subsection (c) provides that the Secretary, acting through the Fish and Wildlife Service, shall have access at any time to the Nevada lands which would be conveyed and leased for purposes of monitoring—(1) the pumping of groundwater; (2) the condition of endangered or threatened species; and (3) the impacts of activities

on such lands on wildlife and plants. This right of access is subject to a requirement that reasonable notice be provided to Aerojet or its successors or assigns. In specifying that this access could be exercised "at any time", the Committee intends merely to assure that the Secretary, rather than Aerojet, is to retain final responsibility for deciding when monitoring should be done; the Committee understands that the nature of Aerojet's planned activities is such that close coordination between the Secretary and Aerojet regarding access would be beneficial in terms of safety as well as convenience, and the Committee trusts that the relationship between Aerojet and the Secretary will be sufficiently cooperative and harmonious so as to minimize any difficulties that might otherwise arise in connection with the Secretary's monitoring and related activities.

Subsection (d) provides that nothing in the Act would be construed as limiting or impairing the power of any Federal or State agency to monitor and regulate the handling by Aerojet (or its successors) of hazardous materials or wastes, or air or water pollutants, so as to assure compliance with applicable State and Federal laws. Further, the subsection requires the Secretary to consult and cooperate with the Administrator of the Environmental Protection Agency and appropriate State officials so that the Secretary can facilitate the discharge of their monitoring and regulatory responsibilities.

Section 7 addresses the Florida land which would be transferred to the United States under the exchange.

Subsection (a) would provide that upon transfer of the Florida lands to the United States, they will be sold by quitclaim deed to the South Florida Water Management District at a per-acre price agreed upon between the District and the Secretary.

Subsection (b) provides that the funds received from the water management district in connection with the sale of the Florida lands would be deposited in the "contributed fund account" of the Fish and Wildlife Service and used for purchasing additional lands at existing wildlife refuge system units in Florida.

Subsection (c) provides for notification to the Appropriations Committees of the House and Senate of plans for the use the receipts from the sale of the Florida lands.

The Committee recognizes that the acquisition of the Florida land under this legislation is important to that State to help in the restoration of sheet flow to the Everglades National Park. In so doing, the Committee also reaffirms the intent of existing laws (Public Law 91-282 and Public Law 98-181) concerning the system for water delivery to the Everglades National Park, ". . . in order to preserve and restore its natural state and to maintain and protect its unique ecology" (Senate Report 91-895, page 16). The Committee affirms the responsibilities of the Corps of Engineers and the South Florida Water Management District to provide delivery of water to the Everglades National Park from the central and south Florida water projects, as specified by law.

The Committee directs the Secretary of the Army to report to the Congress on any deviations from the original design criteria, occurring without the concurrence of the National Park Service, for water control facilities constructed pursuant to Public Law 91-282. Finally, the Committee does not intend, through the passage of

this legislation, to alter in any way the intent of Congress with respect to Public Law 91-282 and Public Law 98-181.

Section 8 directs that public lands in Nevada which were being managed pursuant to section 603(c) of FLPMA on March 1, 1987 would be retained in Federal ownership and so managed until Congress determines otherwise.

Section 9 ensures that nothing in the Act or in either the exchange agreement or the lease agreement be construed as affirming or denying the validity of any Indian claim or other claim pending on the date of enactment with respect to any lands in Nevada. The Committee has not reviewed the particulars of any such claim and expresses no opinion as to the merits of any such claim.

Section 10 deals with judicial review.

Subsection (a) states a general rule that nothing in the Act except subsection (b) of this section be construed as limiting any right of the Secretary or any other party to bring any action with regard to the responsibilities of the Secretary under applicable law (as affected or modified by the bill). It would also forbid the Secretary from including in the exchange agreement any term or condition that would limit the Secretary's ability to take any actions appropriate to carry out the Secretary's legal responsibilities.

Subsection (b) sets forth an exception to the general rule set forth in subsection (a). Subsection (b) includes a Congressional finding that studies and analyses already completed have made sufficient information available to meet the objectives of the National Environmental Policy Act of 1969 and other laws intended to assure consideration of possible environmental consequences of Federal decisionmaking, and that the provisions of the Act have been drafted so as to respond to environmental and related concerns. Based on the finding, the subsection precludes judicial review of a claim that the execution or consummation of the exchange agreement or lease agreement or of a conveyance document or lease with respect to the Nevada lands failed to comply with any provisions of law other than this bill itself.

The Committee wishes to stress that this limitation on judicial review has been carefully and intentionally drawn in a narrow manner. It is not intended to preclude any judicial review of allegations that the Secretary has not acted in compliance with this Act, or judicial review of any actions or omissions of the Secretary or any other person or entity other than those specified in the subsection. In particular, it should be noted that nothing in subsection (b) limits the applicability of the National Environmental Policy Act to any actions or proposals as to use of the Nevada lands after their conveyance and lease.

Section 11 expresses the sense of Congress that the Secretary is to execute the exchange and lease agreements and implement the conveyance and lease of the Nevada lands, within 120 days after the date of enactment. However, any failure of the Secretary to meet this deadline will not prevent the consummation of the exchange after that period.

Section 12 provides for a study by the Secretary of the status of populations of desert tortoises on lands managed by the Secretary, an assessment of any threats that may exist to the continued

health or stability of such populations on such lands, and preparation of a plan to address such threats.

Subsection (a) requires the study, assessment, and plan.

Subsection (b) requires the Secretary, in preparing the plan, to consult with State officials, other Federal land managers, the Desert Tortoise Council, and other persons or groups identified by the Secretary as having relevant expertise.

Subsection (c) sets deadlines for implementation of this section. The Secretary is required to complete the review of tortoise populations and assessments of threats within two years after enactment; however, failure of the Secretary to meet these deadlines would not relieve the Secretary from meeting the requirements of this section.

COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office estimate of the costs of this measure has been requested but was not received at the time the report was filed. When the report is available, the Chairman will request it to be printed in the Congressional Record for the advice of the Senate.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 854. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 854, as reported.

EXECUTIVE COMMUNICATIONS

The pertinent legislative report received by the Committee from the Department of Agriculture setting forth executive agency recommendations relating to S. 854 is set forth below. A legislative report on this proposal was requested from the Department of the Interior on May 18, 1987. At the time this report was filed, no report from the Department of the Interior had been received.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, July 13, 1987.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department regarding S. 854, a bill entitled the "Nevada-Florida Land Exchange Authorization Act of 1987."

The Department of Agriculture defers to the Department of the Interior since enactment of this bill would not affect Department programs or National Forest System lands.

S. 854 would facilitate an exchange between the Aerojet-General Corporation and the Department of the Interior. The lands to be acquired by the Federal Government are located in Dade County, Florida, and the lands to be deeded to Aerojet-General are located in Clark, Lincoln, and Mineral Counties, Nevada. The bill would further provide for sale of the land acquired in Florida to the South Florida Water Management District at a price no less than fair market value.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

PETER C. MYERS,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill, S. 854, as reported.

APPENDIX

October 1, 1987

LAND EXCHANGE AGREEMENT BETWEEN

AEROJET-GENERAL CORPORATION

AND THE

UNITED STATES OF AMERICA

THIS LAND EXCHANGE AGREEMENT is entered into by and between AEROJET-GENERAL CORPORATION, an Ohio Corporation ("AEROJET"), and the UNITED STATES OF AMERICA, acting through the Secretary of the Interior (the "SECRETARY"). AEROJET and the SECRETARY are collectively referred to as "THE PARTIES."

WITNESSETH:

WHEREAS, pursuant to the "Nevada-Florida Land Exchange Authorization Act of 1987" (the "Act") (_____ Stat._____), the SECRETARY is authorized to acquire _____ acres, more or less, of private land owned by AEROJET in Dade County, Florida (the "Florida Land") having an average fair market value of approximately $525 an acre; and

WHEREAS, the Act authorizes and directs the SECRETARY to acquire the Florida land by, among other things, exchanging (i) _____ acres, more or less, of public land in Coyote Spring Valley, Nevada (the "Coyote Spring Land") having an average fair market value of approximately $_____ an acre, (ii) 8,910 acres, more or less, of public land in Garfield Flat, Nevada (the "Garfield Flat Land"), having an average fair market value of approximately $_____ an acre, and (ii) 1,130 acres, more or less, of reserved mineral estate in lands in which AEROJET owns the surface estate in Garfield Flat, Nevada (the "Mineral Estate"), having an average fair market value of approximately $ ____ an acre, (all of which are hereinafter collectively called the "Nevada Land"); and

WHEREAS, AEROJET desires to acquire the Nevada Land, which is owned by the United States and administered by the Bureau of Land Management, Department of the Interior, including the surface and mineral estates therein in their entirety, subject to valid existing rights and reservations made herein; and

WHEREAS, the fair market values of the lands and interests in lands to be exchanged pursuant to both this Agreement and a separate lease agreement to be entered into between the parties hereto are approximately equal; and

WHEREAS, the SECRETARY has determined that this Agreement carries out the purpose and intent of the Act; and

WHEREAS, AEROJET has determined that the exchange of land

set forth in this Agreement is in its best interest and the best interest of its sole shareholder;

NOW THEREFORE, in consideration of their mutual promises and other good and valuable consideration, THE PARTIES hereto covenant and agree as follows:

1. THE PARTIES agree to the land exchange specified in the following paragraphs and to be bound thereby. THE PARTIES agree that this exchange of lands is authorized and undertaken pursuant to the directive given the SECRETARY under the Act.

2. AEROJET shall convey to the UNITED STATES, by warranty deed, exclusive of severable use rights (as defined in Dade County Ordinance 81-122, effective January 1, 1982), as its part of the exchange, all right, title and interest of AEROJET in the Florida Land as described in Exhibit "A" attached hereto and incorporated by reference herein and as generally depicted upon the map entitled "Aerojet-General Corporation Lands to be Exchanged to U.S. Fish and Wildlife Service, Dade County, Florida," which is referenced in the Act.

3. The SECRETARY shall convey to AEROJET by patent (or interim conveyance document as described in Paragraph 6 below), subject to valid existing rights and such reservations and stipulations as are specifically provided for herein, as his part of the exchange, all right, title and interest of the UNITED STATES in the surface and mineral estates of the Nevada Land as described in Exhibit "B" attached hereto and incorporated by

reference herein and as generally depicted upon maps entitled "Public Domain Lands to be Exchanged and Leased to Aerojet-General Corporation, Clark and Lincoln Counties, Nevada" and "Public Domain Lands to be Exchanged to Aerojet-General Corporation, Mineral County, Nevada" which are referenced in the Act (the "Nevada Maps").

4. Except with respect to valid existing rights or as otherwise stated herein, the estate of the lands to be conveyed by the SECRETARY to AEROJET pursuant to Paragraph 3 of this Agreement shall not be subject to any terms, conditions, covenants, limitations, exceptions, reservations or stipulations governing AEROJET's activities and use. Only valid existing rights outstanding on the effective date hereof and the reservations and stipulations provided for herein shall run with the land and shall be binding upon AEROJET, its successors and assigns.

5. THE PARTIES mutually agree that each can perform his or its respective obligations under Paragraphs 1 through 4 of this Agreement in one transaction in accordance with the direction of the Act. THE PARTIES further agree that although AEROJET will acquire the Nevada Land subject to valid existing rights, those rights do not include any rights or claims of the UNITED STATES except as stated herein, and the UNITED STATES hereby expressly relinquishes any and all rights and claims it may have in the surface or mineral estates of the Nevada Land as of the effective date of this Agreement and agrees to take such further actions

and execute such further documents as shall be necessary or desirable to perfect the relinquishment of such rights and claims whether by letter, deed, letter of relinquishment, or other appropriate document, which shall be subject to the prior approval of AEROJET's counsel. The SECRETARY expressly confirms and agrees that, except as stated herein, the UNITED STATES excepts and reserves no easements or other rights or claims in the Nevada Land to have access to the land or to otherwise utilize or develop any resources in or on the Nevada Land, including without limitation, oil and gas, valuable minerals, and sand and gravel, and, except as stated herein, agrees to make no claims for adequate access to any of the property included in the Nevada Land.

6. THE PARTIES agree that the SECRETARY shall convey to AEROJET by interim conveyance, recognizing that such lands are unsurveyed, (a) that portion of the Coyote Spring Land described in Exhibit "C" attached hereto and incorporated by reference herein, (b) appropriate portions of the Coyote Spring Land in those sections immediately east of the centerline of U.S. Highway 93 and immediately north of the centerline of State Highway 168, and (c) appropriate portions of the Coyote Spring Land in those sections immediately contiguous to the lands being leased by the SECRETARY to AEROJET concurrently herewith--all as generally depicted upon the Nevada Maps. AEROJET shall receive any gain or bear any loss of acreage due to errors, if any, in such description. If AEROJET elects to receive patent to such unsurveyed

lands, it shall have the right, at its expense, to require an independent survey to be performed by a surveyor mutually acceptable to THE PARTIES in accordance with Bureau of Land Management procedures and the results of that survey shall be used to settle the boundaries of such lands and shall be binding on both AEROJET and the SECRETARY. The SECRETARY shall cooperate to the maximum extent possible to facilitate the survey and approve it in a timely manner and to execute whatever further documents are necessary to carry out the purpose and intent of this provision.

7. AEROJET agrees that at settlement a good and sufficient general warranty deed will be executed and delivered by AEROJET in a form acceptable to the SECRETARY conveying a good, insurable, marketable title to the surface and mineral estates of the Florida Land with all hereditaments and appurtenances therein belonging to the SECRETARY or its assigns, reserving unto AEROJET and assigns all right, title and interest in and to any and all severable use rights (as defined in Dade County Ordinance 81-122, effective January 1, 1982) associated with, or running with, the land. Additionally, final settlement shall be contingent upon an inspection of the Florida Land by the SECRETARY determining the Florida Land to be free of any contaminants or other hazardous materials, and approval of title based upon title evidence acceptable to the SECRETARY showing title vested in the UNITED STATES as determined by an authorized officer of the UNITED STATES. The SECRETARY shall pay for recording the deed to the

UNITED STATES. Title examination and evidence of title shall be provided at the expense of AEROJET. AEROJET agrees that all taxes, assessments and encumbrances which are a lien against the Florida Land at settlement, as well as any deferred taxes or deferred terms whether or not a lien against the Florida Land at settlement, shall be satisfied of record by AEROJET at or before settlement. Further, AEROJET shall provide for the payment of any taxes arising up to and including the settlement date to the satisfaction of the SECRETARY. AEROJET agrees that from the effective date of this Agreement officers and accredited agents of the SECRETARY shall have the right to survey and enter upon the Florida Land for all lawful purposes in connection with this exchange. The SECRETARY agrees to notify AEROJET in advance of any such survey or entry, and to take steps to minimize any impact on AEROJET's lessees or other surface users.

8. The SECRETARY shall convey the surface and mineral estates of the Nevada Land described in Paragraph 3 of this Agreement subject to valid existing rights including, but not limited to, the unexpired term of any outstanding lease, license, permit, contract or right-of-way; provided, that the SECRETARY shall terminate or suspend, if terminable or suspendable in the judgment of the SECRETARY without liability to the UNITED STATES, that portion of any such lease, license, permit, contract or right-of-way which authorizes activities on the surface or mineral estates of the Nevada Land conveyed to AEROJET pursuant to Paragraph 3 of this Agreement; and provided further that,

except as stated herein, the SECRETARY shall terminate, if terminable in the judgment of the SECRETARY without liability to the UNITED STATES, that portion of any such permit which authorizes geological and geophysical surveys of the surface or mineral estates of the Nevada Land conveyed to AEROJET pursuant to Paragraph 3 of this Agreement.

9. Notwithstanding anything to the contrary herein, THE PARTIES agree that AEROJET shall permit the UNITED STATES or its agents to have access to the Nevada Land to monitor the condition of endangered or threatened species located on such land, to monitor the impact of any activity occurring on such land on wildlife and plants including, but not limited to, endangered or threatened species, and to monitor the wells and borings located on the lands described in Exhibit "D" attached hereto and incorporated by reference herein, under the following terms and conditions:

(a) The UNITED STATES must obtain advance approval from AEROJET (which will not be unreasonably withheld) for each entry and must conduct the entry not more than once per month during regular business hours at a time and date and over a prescribed route to be determined by AEROJET.

(b) The UNITED STATES must make available to AEROJET all past, present and future well and boring data obtained from the monitoring program.

(c) AEROJET will permit the UNITED STATES to emplace a steel drop pipe not to exceed 2 inches in diameter inside the diameter of Well No. N-40007 (as identified in Exhibit "D") to provide access and shelter for monitoring probes. The pipe will extend from an opening at the well head to a depth equal to or greater than the depth at which the pump is set.

(d) AEROJET will permit a spigot on the discharge pipe of said Well No. N-40007 to allow collection of water-quality samples before the water reaches any storage or treatment facility.

(e) The UNITED STATES will be allowed space at or near the well head of said Well No. N-40007 for storage of data loggers and/or other instruments used for monitoring conditions at the well.

(f) Well pumpage will be metered by AEROJET and the UNITED STATES will be provided with pumpage data. The data will include both information on volumes of pumpage and times of pump operation.

The SECRETARY further acknowledges and agrees on behalf of the UNITED STATES that (a) all interests the UNITED STATES has or may have in the wells and borings set forth in Exhibit "D," including the right to monitor and the right to develop water therefrom pursuant to the Memorandum of Agreement between the

United States Air force and the United States Geological Survey, among others, dated June 1, 1983 and/or the Federal Land Policy and Management Act of 1976 ("FLPMA") rights-of-way granted to the United States Geological Survey by the Bureau of Land Management as set forth on Exhibit "D," are hereby terminated by and upon execution of this Agreement; and (b) by virtue of this Agreement, the ownership of the interest in, the casing in or equipment attached to any wells and borings set forth in Exhibit "D" is in AEROJET, and that AEROJET and its successors or assigns intend to develop water therefrom. Notwithstanding the foregoing, AEROJET agrees to reimburse the UNITED STATES with money or economically equivalent additions to the Florida Land of an amount equal to the current cost of drilling an unlined well for standard industrial use having an 8 1/2" diameter and the same depth as well No. N-40007.

10. Nothing in this Agreement shall be construed as a permit to conduct any particular activities on the Nevada Land to be conveyed to AEROJET under this Agreement; nor shall this Agreement be construed as relieving AEROJET of any obligations it may have under federal, state and local laws and regulations with respect to obtaining necessary permits prior to commencing any activities on the Nevada Land.

11. In the event that the exchange of lands or interests in lands provided for in this Agreement is set aside because of a final order of a court of competent jurisdiction, THE PARTIES agree to immediately commence good faith negotiations to enter

into a new agreement to exchange the lands and interests in lands provided for in this Agreement, consistent with such final order.

12. Except as otherwise required by law, the Department of the Interior or any of its agencies, departments, subdivisions or services shall not oppose any application to any federal, state or local government agency for permits or other approvals necessary to conduct activities on the Nevada Land conveyed to AEROJET pursuant to Paragraph 3 of this Agreement that is consistent with the provisions of this Agreement.

13. AEROJET has advised the SECRETARY that it is prepared to accept stipulations describing various actions it will take to protect the wildlife resources on the Nevada Land. A list identifying such stipulations is set forth in Exhibit "E" attached hereto and incorporated by reference herein. AEROJET agrees to be bound by and to perform each and every one of the stipulations set forth in Exhibit "E" whether or not set forth in the patent or interim conveyance documents described in Paragraph 3 above, and agrees that such stipulations shall run with the land.

14. (a) The transfer of the Coyote Spring Land under this Agreement shall be subject to the reservation to the UNITED STATES of a right-of-way corridor (the "Corridor") situated in the State of Nevada, counties of Lincoln and Clark, described as follows:

(1) All those portions of Sections 19, 30,

31, T.11 S., R.63 E., M.D.M.; Sections 5, 6, 8, 9, 16, 17, 20, 21, 28, 29, 32, 33, T.12 S., R.63 E., M.D.M.; and Sections 4, 9, 10, 15, 16, 21, 22, T.13 S., R.63 E., M.D.M.; lying within that corridor one mile in width, the centerline of said corridor being one mile easterly of and parallel with the centerline of U.S. Highway 93. Also, all of Sections 20, 21, 22, 29, 32, and the N 1/2 of Section 23, T.11 S., R.63 E., M.D.M.

(2) That portion of Section 29, T.12 S., R.63 E., M.D.M., necessary for the purpose of ingress and egress to the corridor as required for the construction, operation, and maintenance of electric transmisison lines.

The Corridor shall be administered by the SECRETARY, who may grant rights-of-way over, upon, under, or through the Corridor for systems and facilities used or useful for the construction, operation and maintenance of electric transmission lines consistent with Title V of FLPMA; provided, that although activities to construct, operate and maintain electric transmissicn lines within the Corridor shall be given priority over all conflicting activities, the SECRETARY shall take all reasonable actions to facilitate and protect the activities planned and proposed for the Coyote Spring Land by AEROJET relating to the development, manufacture and testing of rocket motors or other aerospace and

defense products, including the granting of rights-of-way to AEROJET for roads across the Corridor connecting the eastern and western portions of the Coyote spring Land.

(b) In consideration of the Corridor reserved by the SECRETARY, and except with respect to the rights referred to in subsection 5 (c) of the Act which are altered by the Act, the SECRETARY agrees not to grant any rights-of-way over, upon, under, or through the Corridor to any party who currently holds, directly or indirectly any lease, license, permit, contract or right-of-way for electric transmission line facilities and systems on the Coyote Spring Land unless such party, as a condition to using the Corridor, surrenders and relinquishes all of its right, title and interest in and to such lease, license, permit, contract or right-of-way. In addition, as a condition subsequent to execution hereof but before settlement, AEROJET shall have the right at its election to terminate this Agreement in its entirety without fault or liability if, within that time, it is unable to effectuate a surrender or relinquishment of such lease, license, permit, contract or right-of-way.

15. The SECRETARY acknowledges that upon acquisition of the Florida Land, the UNITED STATES is directed by the Act to sell the Florida Land to the South Florida Water Management District (the "SFWMD") to raise funds for acquiring additional wildlife refuge lands in the State of Florida. The SECRETARY represents and warrants that these follow-up transactions are separate and distinct from the exchange contemplated by this Agreement, are

not conditions precedent to the effectiveness of this Agreement, and do not require the execution of definitive agreements prior to the execution and consummation of this Agreement.

16. A copy of this Agreement shall be attached to and incorporated in the conveyance issued to AEROJET pursuant to Paragraph 3 of this Agreement and shall be recorded by AEROJET with the conveyance.

17. The SECRETARY agrees that from the date of this Agreement, officers and accredited agents of AEROJET shall have the right to survey and enter upon the Nevada Land for all lawful purposes in connection with this exchange. AEROJET agrees to notify the SECRETARY in advance and to take steps to minimize any impact on lessees or other surface owners.

18. The SECRETARY agrees to take all steps within his power to notify persons with grazing privileges that their privileges will terminate at the first opportunity provided by law or contract without additional liability to the UNITED STATES, and to execute any and all documents and publish any and all notices that are necessary to accomplish such revocation or termination of grazing privileges.

19. Notwithstanding any other provision of this Agreement, AEROJET shall be free to challenge the rights of any party claiming an interest in the Nevada Land whether by way of lease, license, permit or contract and to test in court, at its expense, the extent of the rights claimed by any such person in the Nevada

Land. The SECRETARY agrees to provide AEROJET with any and all documents not exempt by law in the possession of the SECRETARY which relate to such persons' rights or claims.

20. It is the express intent of both AEROJET and the United States of America and it is hereby agreed by THE PARTIES that nothing in this Agreement or Exhibits hereto shall be construed as creating any rights of enforcement by any person or entity that is not a party to this Agreement.

21. Any failure by either party to this Agreement to object to, or to seek a remedy for, any violation by the other party of any provision of this Agreement shall not be deemed a waiver of, or stop any future right to object to, or stop any future right to seek a remedy for, a subsequent violation, whether the later violation is of the same or another provision of this Agreement.

22. This Agreement shall become effective only upon its execution by both of the parties, and the effective date of the Agreement shall be the date upon which the last of the subscribed signs the Agreement.

23. The provisions of this Agreement shall be implemented only upon enactment of authorizing and directing legislation consistent with its terms and directing its execution.

24. For purposes of expediting execution of this Agreement, it may be signed in separate counterparts by THE PARTIES, which, when all have been so signed, shall be deemed a single Agreement.

25. THE PARTIES agree that this Agreement may be amended in writing by mutual consent of THE PARTIES.

26. The following general provisions shall apply to each of the provisions of this Agreement, except to the extent specifically provided otherwise in such provision:

a. THE PARTIES mutually covenant and agree not to sue each other challenging the legal authority or capacity of the SECRETARY or AEROJET to enter into this Agreement or to effectuate any provision herein, provided that nothing herein shall be construed to prevent either party from suing to enforce this Agreement or seeking any other available remedy for breach of this Agreement.

b. Except with respect to an assignment to AEROJET's parent company GenCorp, Inc. or one of GenCorp's affiliates or subsidiaries, AEROJET's rights hereunder are not assignable and AEROJET may not assign to any third party its right under this Agreement to receive the conveyance of the Nevada Land described in Paragraph 3 of this Agreement.

c. THE PARTIES mutually covenant and agree not to encumber property proposed to be exchanged or conveyed to the other party

under this Agreement, except as otherwise required by law.

d. No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

e. As used in this Agreement, the term "SECRETARY" shall include the Secretary of the Interior or his authorized representative.

f. As used in this Agreement, the term "AEROJET" shall include its successors and assigns, except as otherwise limited herein.

g. The parties agree that any clerical and typographical errors contained herein may be corrected upon notice to the other party, unless such errors are deemed substantial or otherwise objected to by either party within 60 days by written notice. Correction may be made without formal ratification by THE PARTIES.

IN WITNESS WHEREOF, THE PARTIES have set their hands and seals as of the dates below written.

AEROJET-GENERAL CORPORATION

By: _____
Ralph E. Clark
Executive Vice President,
Aerojet Nevada,
A Division of Aerojet-
General Corporation

_____
Date

UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

_____
Date

CANDIDATE TRADE LANDS
DADE COUNTY FLORIDA

To be Revised

LIO NUMBER	SECTION-TOWNSHIP-RANGE	ACRES	DESCRIPTION
-8817-00-0010	17-58-38	397.04±	ALL THAT PT OF SEC LYG NELY OF C-111-6 CANAL R/W.
-8817-00-0030	17-58-38	222.70±	ALL THAT PT OF SEC LYG SWLY OF C-111-6 CANAL R/W.
-8818-00-0010	18-58-38	.58±	THAT PT OF SEC LYG BET E/L OF SEC & C-111-6 CANAL R/W IN NE¼ OF NE¼.
-8818-00-0030*	18-58-38	370.54±	ALL SEC LYG WLY OF C-111-6 CANAL R/W & ELY OF STRUCTURE #175 & 150FT R/W FOR LEVEE L-31-W-2, LESS THE N½ OF THE NW¼ & THE E200FT OF THE S½ OF THE W½ & LESS THE W½ OF THE E½.
-8819-00-0010*	19-58-38	357.48±	ALL THE SEC LYG ELY OF WLY 150FT LEVEE 31-W-2 R/W, LESS THE E200FT OF THE W½ & LESS THE W½ OF THE NE¼ & LESS THE SE¼.
-8820-00-0010	20-58-38	.25±	THAT TRIANGULAR PT LYG IN THE NE COR OF SEC & NELY OF C-11-16 CANAL R/W.
-8820-00-0030*	20-58-38	406.93±	ALL OF N½ OF SEC LYG SWLY OF C-111-6 CANAL R/W & THE N½ OF THE SE¼.
-8821-00-0020	21-58-38	285.42±	ALL THAT PT OF WEC LYG WLY OF C-111-E-1 CANAL R/W & NELY OF C-111-6 CANAL R/W.
-8821-00-0040*	21-58-38	201.30±	THAT PT OF SEC LYG SWLY OF C-111-6 CANAL R/W, LESS THE S½ OF THE SW¼ & LESS THE S½ OF THE S½ OF THE SE¼.
-8822-00-0010	22-58-38	636.91±	ALL SEC LESS W92FT M/L FOR C-111-E-1 & LESS PT IN SW¼ OF SW¼ OF SW¼ FOR C-111-6 CANAL R/W.
-8823-00-0010	23-58-38	624.18±	ALL UNSURVEYED LESS N30FT FOR RD & LESS PORT FOR C-11 CANAL R/W PER OR 6689-450 & LESS S47FT OF, ETC. ROLL.
-8824-00-0010	24-58-38	569.37±	ALL LESS S1600FT OF N1800FT OF W110FT OF E2260FT & LESS W110FT OF E1329.85FT OF S165FT OF N200FT, ETC. ROLL
-8830-00-0010*	30-58-38	80.00±	THE E½ OF THE E½ OF THE E½.

(1)

FOLIO NUMBER	SECTION-TOWNSHIP-RANGE	ACRES	DESCRIPTION
0-8831-00-0010*	31-58-38	80.00±	THE E½ OF THE E½ OF THE E
0-8929-00-0010	29-58-39	43.00±	ALL LYG W OF R/W US #1.
0-8930-00-0010	30-58-39	85.00±	ALL LYG E OF C-109 CANAL R/W PER OR 6637-455 & LES PORT FOR US#1 R/W, ETC RO
0-8931-00-0020	31-58-39	29.16±	ALL LYG E OF C-109 CANAL R/W PER OR 6637-455.
0-8932-00-0020	32-58-39	124.24±	ALL LYG WLY OF US#1 R/W.
0-9908-00-0020	8-59-39	135.67±	E½ OF SEC 8 LYG W OF US#1 LESS DB 4174-48
	TOTAL	4,649.77±	

FOLIO NUMBERS MAY CHANGE DUE TO CHANGE IN DESCRIPTION.

To Be Revised

To Be Revised

LEGAL DESCRIPTION - COYOTE SPRING VALLEY

Township 11 South, Range 63 East, Mount Diablo Base & Meridian, Nevada.

Section 13, South half (S1/2).

Section 19, all east of U.S. Highway 93 centerline.

Sections 20-29, inclusive, all.

Sections 30-31, inclusive, all east of U.S. Highway 93 centerline.

Sections 32-35, inclusive, all.

Section 36, West half (W1/2).

Township 12 South, Range 63 East, Mount Diablo Base & Meridian, Nevada.

Section 1, West half (W1/2).

Sections 2-5, inclusive, all.

Sections 6-7, inclusive, all east of U.S. Highway 93 centerline.

Sections 8-11, inclusive, all.

Section 12, West half of the West half (W1/2W1/2).

Section 13, West half (W1/2).

Sections 14-17, inclusive, all.

Section 18, East half (E1/2) east of U.S. Highway 93 centerline.

Section 19, East half (E1/2) east of U.S. Highway 93 centerline.

Sections 20-23, inclusive, all.

Section 24, West half (W1/2).

Sections 25-28, inclusive, all.

Section 29, all east of U.S. Highway 93 centerline.

Section 30, East half (E1/2) east of U.S. Highway 93 centerline.

Section 32, all east of U.S Highway 93 centerline.

Section 33-36, inclusive, all.

Township 12 South, Range 64 East, Mount Diablo Base & Meridian, Nevada.

Section 31, unsurveyed West half of the Southwest quarter (W1/2SW1/4).

Township 13 South, Range 63 East, Mount Diablo Base & Meridian, Nevada.

Sections 1-4, inclusive, all.

Section 5, all east of U.S. Highway 93 centerline.

Section 8, East half (E1/2) east of U.S. Highway 93 centerline.

Sections 9-16, inclusive, all.

Section 17, East half (E1/2) east of U.S. Highway 93 centerline.

Section 20, East half (E1/2) east of U.S. Highway 93 centerline and north of State Highway 168 centerline.

Sections 21-23, inclusive, all north of State Highway 168 centerline.

Section 24, all.

Section 25, North half (N1/2) north of State Highway 168 centerline.

Section 26, North half (N1/2) north of State Highway 168 centerline.

Township 13 South, Range 64 East, Mount Diablo Base & Meridian, Nevada.

Section 6, unsurveyed West half (W1/2).

Section 7, unsurveyed West half (W1/2), unsurveyed West half of the Southeast quarter (W1/2SE1/4).

Sections 18-19, inclusive, all unsurveyed.

Section 30, unsurveyed North half (N1/2) north of State Highway 168 centerline.

Comprising approximately 42,800 acres.

To Be Revised

Legal Description - Garfield Flat

Township 6 North, Range 33 East, Mount Diablo Base & Meridian, Nevada.

Sections 10-13 inclusive, All.

Section 14, East half (E1/2).

Section 15, West half (W1/2).

Section 21, All.

Section 22, West half (W1/2), South half of the Southeast quarter (S1/2SE1/4).

Section 23, East half (E1/2), South half of the Southwest quarter (S1/2SW1/4).

Section 24, East half (E1/2), West half of the Northwest quarter (W1/2NW1/4), Northeast quarter of the Northwest quarter (NE1/4NW1/4), North half of the Southeast quarter of the Northwest quarter (N1/2SE1/4NW1/4), Southeast quarter of the Southeast quarter of the Northwest quarter (SE1/4SE1/4NW1/4), Southwest quarter (SW1/4).

Section 25, All.

Section 26, Northeast quarter (NE1/4), West half (W1/2), Northeast quarter of the Southeast quarter (NE1/4SE1/4), West half of the Southeast quarter (W1/2SE1/4).

Section 27, All.

Section 34, All.

Section 35, Northeast quarter of the Northeast quarter (NE1/4NE1/4), West half (W1/2), West half of the Southeast quarter (W1/2SE1/4), Southeast quarter of the Southeast quarter (SE1/4SE1/4).

Section 36, All.

comprising 8,910 acres.

LEGAL DESCRIPTION - GARFIELD FLAT

MINERAL ESTATE

T. 6 N., R. 33 E., M.D.M., NEVADA

Section 14, West half (W1/2).

Section 15, East half (E1/2).

Section 22, Northeast quarter (NE1/4), North half of the Southeast quarter (N1/2SE1/4).

Section 23, Northwest quarter (NW1/4), North half of the Southwest quarter (N1/2SW1/4).

Section 24, Southwest quarter of the Southeast quarter of the Northwest quarter (SW1/4SE1/4NW1/4)

Comprising 1,130 acres

LEGAL DESCRIPTION - COYOTE SPRING VALLEY

UNSURVEYED LAND

Township 12 South, Range 64 East, Mount Diablo Base & Meridian, Nevada.

Section 31, unsurveyed West half of the Southwest quarter (W1/2SW1/4).

Township 13 South, Range 64 East, Mount Diablo Base & Meridian, Nevada.

Section 6, unsurveyed West half (W1/2).

Section 7, unsurveyed West half (W1/2), unsurveyed West half of the Southeast quarter (W1/2SE1/4).

Sections 18-19, inclusive, all unsurveyed.

Section 30, unsurveyed North half (N1/2) north of State Highway 168 centerline.

Comprising approximately 2,240 acres.

Coyote Spring Valley

Hydrologic Tests and Observation Wells

Location	Type of Well	BLM Serial Number
T. 12 S., R. 63 E., Section 29: SE¼NW¼	Test	N-40004
T. 12 S., R. 63 E., Section 29: SE¼NW¼	Observation	N-40005
T. 13 S., R. 63 E., Section 23: SE¼SE¼	Carbonate Test (Well #4)	N-40006
T. 13 S., R. 63 E., Section 23: SE¼SE¼	Carbonate Test (Well #5)	N-40007

Monitoring Borings

Location	Total Depth Drilled (Feet)	Depth Water (Feet)	BLM Serial Number
T. 13 S., R. 63 E., Section 5: NE¼SW¼	162	Dry	N-40078
T. 13 S., R. 63 E., Section 8: SE¼NW¼	51	Dry	N-40079
T. 13 S., R. 63 E., Section 14: SW¼NW¼	50.5	Dry	N-40080
T. 13 S., R. 63 E., Section 17: NE¼NE¼	160	Dry	N-40081
T. 13 S., R. 63 E., Section 21: SW¼SW¼	50	Dry	N-40082
T. 13 S., R. 63 E., Section 21: SE¼SW¼	100	Dry	N-40083
T. 13 S., R. 63 E., Section 22: SW¼SE¼	51	Dry	N-40084
T. 13 S., R. 63 E., Section 23: SW¼SE¼	50.5	Dry	N-40085
T. 13 S., R. 63 E., Section 33: NE¼SW¼	50	Dry	N-40086
T. 12 S., R. 63 E., Section 28: NE¼NE¼	50	Dry	N-40087
T. 12 S., R. 63 E., Section 29: SE¼NW¼	100	Dry	N-40088
T. 12 S., R. 63 E., Section 34: SE¼SW¼	106	Dry	N-40089
T. 12 S., R. 63 E., Section 36: NW¼NE¼	50	Dry	N-40090
T. 11 S., R. 63 E., Section 14: NE¼NE¼	52	Dry	N-40091
T. 11 S., R. 63 E., Section 15: SW¼SW¼	101.5	Dry	N-40092
T. 11 S., R. 63 E., Section 34: SW¼SW¼	100	Dry	N-40093

AEROJET STIPULATIONS

1. Aerojet shall establish an Environmental Advisory Committee ("EAC") for the purpose of informing members of the EAC of Aerojet's construction plans and other on-site activities concerning the Coyote Spring Land. Aerojet shall invite representatives of the U.S. Fish and Wildlife Service ("FWS"), the U.S. Bureau of Land Management ("BLM"), the Nevada Department of Wildlife, and other agencies and citizens' groups which Aerojet may deem appropriate to serve as members of the EAC. The EAC shall be convened to meet on occasions deemed necessary by Aerojet.

2. In any emergency response plan required by local, state or federal statutes or regulations, Aerojet in conjunction with FWS shall request that such plans give specific consideration to measures intended to minimize any harm to federally-listed endangered or threatened species as a result of accidental releases of materials regulated by the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. 9601-9675 ("CERCLA") as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA").

   Further, in the event of an accidental release by Aerojet of any hazardous substance regulated by CERCLA or SARA, in addition to any other notification required

by law, Aerojet shall immediately notify a designated representative of the FWS and Aerojet shall cooperate with the FWS to minimize any threat, arising from such release, to federally-listed threatened or endangered species.

3. Upon commencement of construction activities by Aerojet on the Coyote Spring Land, Aerojet shall place a reasonable number of signs on the land, not to exceed twenty in the aggregate, along Old Highway 93, U.S. Highway 93, State Highway 168 and the Kane Springs Road to warn motorists of bighorn sheep and desert tortoise migration routes and to ask motorists to drive with care.

4. Aerojet shall post and enforce reasonable speed limits along Old Highway 93 on the Coyote Spring Land and, except in cases of emergency or for public safety, shall ban all recreational off-road and all-terrain vehicles from said land.

5. Aerojet shall implement measures to relocate desert tortoises found on construction sites of the Coyote Spring Land and shall fence construction areas to discourage the return of tortoises to those areas. Aerojet shall also fence those portions of roads on the Coyote Spring Land which pass through areas identified in the Aerojet Environmental Report, dated February,

1987, to be high-density tortoise habitats to protect the tortoise population and minimize "road-kills." Further, Aerojet shall provide an education program for its employees designed to heighten their awareness of the danger to, and to enlist their cooperation in the protection of, the desert tortoise.

6. Aerojet shall consider the historical migration routes of big horn sheep in making decisions concerning the location of its fences, entrance route, and entrance gate near the southeast corner of the Coyote Spring Land.

7. To further the protection of all wildlife inhabiting Aerojet lands, Aerojet shall authorize the Nevada Department of Wildlife to maintain at the Department's expense the wildlife guzzlers now located in the Pahranagat Wash on the Coyote Spring Land and shall allow representatives of the Nevada Department of Wildlife to come on the land to inspect the guzzlers and to monitor wildlife usage of same. Aerojet shall also reimburse the Nevada Department of Wildlife for the cost of installing an additional ten wildlife guzzlers on land elsewhere in Nevada.

8. In order to locate, identify, determine the effects upon, and mitigate the effects upon archaeological and historical cultural resources on the Nevada Land (as defined in the Agreement), Aerojet agrees:

a) That within two (2) years of the date Aerojet acquires the Nevada Land, it shall develop a cultural resources management plan (Plan) to guide archaeological and historical activities. The Plan shall include:

(i) the compilation and review of existing archaeological, historical and cultural information as it relates to the Nevada Land;

(ii) the development of a project area map (Activity Map) that defines areas and levels of anticipated Aerojet activities;

(iii) the development of a long term program that establishes appropriate study methods for the Plan including level of investigation, testing, analysis, and recording, and the development of a schedule for implementing these methods in each of the different

areas identified on the Activity Map; and

(iv) the establishment of significant, defensible research questions to be addressed during data recovery activities. Such questions shall be developed with reference to the Advisory Council of Historic Preservation's Handbook, Treatment of Archaeological Properties and the Archaeological Element of the Nevada State Historic Preservation Plan. Means of revising and updating the identified research questions shall also be outlined.

b) That, prior to any land disturbing activity, an archaeological survey of the project's area of environmental impact shall be conducted, taking into account the professional standards identified in the Advisory Council of Historic Preservation's current Manual of Mitigative Measures. If the survey results in the discovery of properties that may be eligible for the National Register of Historic Places because they potentially could produce informa-

tion important to the study of history or prehistory, Aerojet shall ensure that such properties are reported on and worked on in accordance with these stipulations.

c) That where prudent and feasible, Aerojet shall avoid adverse effects on historic and cultural properties through project facility design or by other means.

d) That all final archaeological reports resulting from actions taken pursuant to the stipulations shall be provided to the National Park Service and shall be responsive to the contemporary professional standards identified in the aforesaid Manual of Mitigative Measures. Precise locational data may be provided in a separate appendix if it appears that its release could jeopardize archaeological sites.

e) That all final reports of activities carried out pursuant to these stipulations shall be provided to the Nevada State Historic Preservation Officer and, upon request, to other interested parties.

f) That all historic, architectural, and archaeological work conducted pursuant to these stipulations shall be carried out by or under

the direct supervision of persons meeting the appropriate qualifications set forth in the Department of the Interior's Professional Qualifications.

g) That these stipulations shall be performed by Aerojet's personnel and subcontractors and that such persons shall be advised against illegal collection of historic and prehistoric materials.

h) That Aerojet shall consult with groups, agencies and organizations that have cultural ties to the Nevada Land in order to identify locations and issues of concern to them and to work with these groups in resolving conflicts. Aerojet shall take the concerns of these groups into consideration during the implementation of these stipulations.

DRAFT

LAND LEASE

PURSUANT TO THE

NEVADA-FLORIDA LAND EXCHANGE

AUTHORIZATION ACT OF 1987

(Pub. L. No. 100- ____ ; ____ Stat. ____)

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LAND LEASE

PURSUANT TO THE

NEVADA-FLORIDA LAND EXCHANGE

AUTHORIZATION ACT OF 1987

(PUB. L. NO. 100- ; STAT.)

THIS LAND LEASE AGREEMENT (referred to hereinafter as the "LEASE") is entered into by and between AEROJET-GENERAL CORPORATION, an Ohio Corporation ("AEROJET" or "LESSEE") and the UNITED STATES OF AMERICA, acting through the Secretary of the Interior (the "SECRETARY" or "LESSOR"). AEROJET and the SECRETARY are collectively referred to as "THE PARTIES".

W I T N E S S E T H :

In recognition of good and valuable consideration, and the mutual covenants contained herein and contained in the LAND EXCHANGE AGREEMENT BETWEEN AEROJET-GENERAL CORPORATION AND THE UNITED STATES OF AMERICA executed by THE PARTIES on or about _____ (the "EXCHANGE AGREEMENT"), and intending to be legally bound hereby, the SECRETARY AND AEROJET agree with each other as follows:

ARTICLE 1. Lease Agreement

A. The SECRETARY hereby leases to AFROJET approximately fourteen thousand acres, more or less, of public lands located in Clark and Lincoln counties, Nevada, as

described in Exhibit A hereto and incorporated by reference herein and as generally depicted as "To Be Leased to Aerojet" upon the map entitled "Public Domain Lands to be Exchanged and Leased to Aerojet-General Corporation, Clark and Lincoln Counties, Nevada" dated October 1987, and available for public inspection in the Office of the Secretary (the "LAND").

B. This lease is issued pursuant and subject to the terms of the "Nevada-Florida Land Exchange Authorization Act of 1987" (the"Act") (Pub. L. No. 100-____; ____ Stat. ____).

ARTICLE 2. Term

A. The term of this LEASE shall commence on the date upon which the last of the subscribed signs this LEASE (hereinafter referred to as the "commencement date").

B. The initial term of this lease shall be for a period of ninety-nine (99) years beginning on the commencement date. The term of this lease shall thereafter be extended automatically for an additional ninety-nine (99) years at no rental and upon all the terms, conditions, covenants and provisions set forth herein; provided, however, that AEROJET may cancel this lease, effective as of the date of the expiration of the initial term by giving the SECRETARY written notice of such cancellation at least one (1) year prior to the date of expiration of the initial term. The extension of this LEASE shall be automatic without the necessity of any new lease or other instruments or agreements or any notice being executed or given. Hereinafter, all references to the term of this lease shall be deemed to be a reference as well to the

additional period of time for which the lease shall be so extended.

ARTICLE 3. Rent

A. This LEASE is made and entered into in accordance with the direction of the Act and is in consideration of mutual promises and covenants made herein and made pursuant to the EXCHANGE AGREEMENT. Accordingly, no rentals, fees, costs, expenses, or obligations of any kind or nature whatsoever relating to the LAND shall be paid to the SECRETARY by AEROJET during the term of this LEASE.

ARTICLE 4. Use of the Land

A. During the term of the LEASE, AEROJET shall be entitled to use the LAND for purposes of constructing and operating roads, utility lines, storage facilities and wells.

B. AEROJET shall further be entitled to use the LAND for any other lawful purpose which the SECRETARY may authorize, subject only to the requirements of the Act and to reasonable requirements the SECRETARY may establish for the protection of the desert tortoise and any other species of fish, wildlife, or plants. The SECRETARY shall, within thirty (30) days, consider any request made by AEROJET pursuant to this paragraph and make a final determination. The SECRETARY shall not unreasonably withhold authorization for use of the LAND.

C. This LEASE shall not be construed as relieving AEROJET of any obligations it may have under federal, state, and local laws and regulations, to the extent such laws and

regulations are consistent with the Act, with respect to obtaining necessary permits prior to commencing any activities on the LAND.

D. Except as otherwise required by law, the SECRETARY or any of the agencies, departments, subdivisions or services of the Department of the Interior shall not oppose any application to any federal, state or local government agency for permits or other approvals necessary to conduct activities on LAND that is consistent with the provisions of this LEASE.

ARTICLE 5. Assignment

A. AEROJET may, with the consent of the SECRETARY, assign (in whole or in part or parts) this LEASE. AEROJET agrees to furnish the SECRETARY written request for consent to assignment thirty (30) days prior to any assignment, together with the name and address of the assignee. The SECRETARY agrees to consider any request for assignment and to make a final determination within thirty (30) days. The SECRETARY shall not unreasonably withhold consent to any assignment. Upon any such assignment, AEROJET shall be relieved of all further obligations hereunder and shall no longer have any liability under this lease with respect to the LAND (if assigned in whole) or with respect to that portion of the LAND assigned (if assigned in part).

ARTICLE 6. Access to the Land

A. The SECRETARY shall, upon reasonable notice to AEROJET and in accordance with applicable law, have reasonable

access to the LAND to monitor: the pumping of groundwater from the LAND; the condition of endangered or threatened species on the LAND; the impact of any activity occurring on the LAND on wildlife and plants, including (but not limited to) endangered or threatened species. It is expressly understood that the LAND shall not be opened to public access or to anyone other than the SECRETARY or his agent or lawful designee.

B. The SECRETARY must obtain advance approval from AEROJET (which will not be unreasonably withheld) for each entry and must conduct the entry during regular business hours at a time and date and over a prescribed route to be determined by AEROJET.

ARTICLE 7. Improvements

A. AEROJET shall have the right, at its own cost and expense, to construct on any part of the LAND, at any time, roads, storage facilities, utility lines, wells, and other similar improvements.

B. AEROJET may, at its option and at its own cost and expense, at any time, make such alterations, changes, replacements, improvements and additions to any structures and improvements on the LAND, as it may deem desireable, including the demolition of any structure(s) or improvement(s) that is now or may hereafter be situated or erected on the LAND.

C. Until the expiration or sooner termination of this LEASE, title to any structure(s) or improvement(s) situated or erected on the LAND and the equipment and other items installed thereon and any change, alteration or addition thereto, shall

remain solely in AEROJET.

D. On the last day or sooner termination of this LEASE, AEROJET shall quit and surrender the LAND, and the structures and permanent improvements then thereon.

ARTICLE 8. Utility Easements

A. AEROJET shall have the right to enter into reasonable agreements with utility companies creating easements in favor of such companies as required in order to service AEROJET's utility needs on the LAND and AEROJET's needs with respect to surrounding lands which AEROJET does now or will hereafter own in fee. The SECRETARY convenants and agrees to consent to such agreements and to execute any and all documents, agreements and instruments, and to take all other actions, in order to effectuate the same, all at AEROJET's costs and expense.

ARTICLE 9. Indemnity

A. AEROJET shall indemnify and hold harmless the SECRETARY from and against any and all liability, damage, penalties or judgements arising from injury to person or property sustained by anyone in and about the LAND resulting from any act or acts or omission or omissions of AEROJET's officers, agents, servants, employees, contractors, or sublessees. AEROJET shall, at its own cost and expense, defend suits or actions which may be brought against the SECRETARY or in which the SECRETARY may be impleaded with others upon any such above-mentioned matter, claim or claims, except as may

result from the acts set forth in paragraph B of this Article 9.

B. Except for his affirmative acts or negligence or the affirmative acts or negligence of his officers, agents, servants, employees or contractors, the SECRETARY shall not be responsible or liable for any damage or injury to any property, fixtures, buildings or other improvements, or to any person or persons, at any time on the LAND, including any damage or injury to any of AEROJET's officers, agents, servants, employees. contractors, customers or sublessees.

ARTICLE 10. Aerojet's Covenants

A. AEROJET agrees to be bound by and to perform each and every one of the following stipulations designed to protect the wildlife resources on the LAND.

1. In any emergency response plan required by local, state or federal statutes or regulations, AEROJET in conjunction with the U.S. Fish and Wildlife Service ("FWS") shall request that such plans give specific consideration to measures intended to minimize any harm to federally-listed endangered or threatened species as a result of accidental releases of materials regulated by the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. 9601-9675 ("CERCLA") as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"). Further, in the event of an accidental release by AEROJET of any hazardous substance regulated by CERCLA or SARA, in addition to any other notification required by law, AEROJET shall immediately notify a designated representative of the FWS and

AEROJET shall cooperate with the FWS to minimize any threat, arising from such release, to federally-listed threatened or endangered species.

2. Upon commencement of construction activities by AEROJET on the LAND, AEROJET shall place a reasonable number of signs on the land along U.S. Highway 93 and the Kane Springs Road to warn motorists of the presence of desert tortoise and which ask motorists to drive with care.

3. Except in cases of emergency or for public safety, AEROJET shall ban all recreational off-road and all-terrain vehicles from the LAND.

4. AEROJET shall implement measures to relocate desert tortoises found on construction sites of the LAND and shall fence construction areas to discourage the return of tortoises to those areas. AEROJET shall also fence those portions of roads on the LAND which pass through areas identified in the AEROJET Environmental Report, dated February, 1987, to be high-density tortoise habitats to protect the tortoise population and minimize "road-kills." Further, AEROJET shall provide an education program for its employees designed to heighten their awareness of the danger to, and to enlist their cooperation in the protection of, the desert tortoise.

5. To further the protection of all wildlife inhabiting the LAND, AEROJET shall authorize the Nevada Department of Wildlife to maintain at the Department's expense, the wildlife guzzlers now located in the Pahranagat Wash on the Land and shall allow representatives of the Nevada Department

of Wildlife to come on the land to inspect the guzzlers and to monitor wildlife usage of same.

6. In order to locate, identify, determine the effects upon, and mitigate the effects upon archaeological and historical cultural resources on the LAND (as defined in the EXCHANGE AGREEMENT), AEROJET agrees:

(a) That, prior to any land disturbing activity, an archaeological survey of the project's area of environmental impact shall be conducted, taking into account the professional standards identified in the Advisory Council of Historic Preservation's current Manual of Mitigative Measures. If the survey results in the discovery of properties that may be eligible for the National Register of Historic Places because they potentially could produce information important to the study of history or prehistory, AEROJET shall ensure that such properties are reported on and worked on in accordance with these stipulations.

(b) That where prudent and feasible, AEROJET shall avoid adverse effects on historic and cultural properties through project facility design or by other means.

(c) That all final archaeological reports resulting from actions taken pursuant to the stipulations shall be provided to the National Park Service and shall be responsive to the contemporary

professional standards identified in the aforesaid Manual of Mitigative Measures. Precise locational data may be provided in a separate appendix if it appears that its release could jeopardize archaeological sites.

(d) That all final reports of activities carried out pursuant to these stipulations shall be provided to the Nevada State Historic Preservation Officer and, upon request, to other interested parties.

(e) That all historic, architectural, and archaeological work conducted pursuant to these stipulations shall be carried out by or under the direct supervision of persons meeting the appropriate qualifications set forth in the Department of the Interior's Professional Qualifications.

(f) That these stipulations shall be performed by AEROJET's personnel and subcontractors and that such persons shall be advised against illegal collection of historic and prehistoric materials.

(g) That AEROJET shall consult with groups, agencies and organizations that have cultural ties to the LAND in order to identify locations and issues of concern to them and to work with these groups in resolving conflicts. AEROJET shall take the concerns of these groups into consideration during the implementation of these stipulations.

B. AEROJET further agrees and covenants with respect to the LAND as follows:

(1) AEROJET's activities on the LAND will comply with air and water quality standards established pursuant to applicable federal and state law;

(2) AEROJET will comply with federal and state standards for public health and safety and environmental protection in the construction and operation of any facilities on the LAND;

(3) AEROJET will observe all laws and regulations for the protection of fish and wildlife habitat and attempt to minimize damage to scenic, cultural, and aesthetic values;

(4) AEROJET will take reasonable precautions to prevent and suppress forest, brush, grass and other fires that may result in damage; and

(5) AEROJET will take precautions to prevent pollution of the LAND or its waters.

ARTICLE 11. Secretary's Covenants

A. The SECRETARY represents and warrants as follows:

(1) The United States is the owner of the LAND and the SECRETARY has the right to perform his obligations under this lease;

(2) The SECRETARY, by execution of this LEASE, conveys to AEROJET for the term of this LEASE the surface and subsurface estates including the mineral estate of the LAND free of encumbrances except as stated herein;

(3) The SECRETARY agrees that, except with respect to valid existing rights or as otherwise stated herein, the estate of the LAND leased hereunder shall not be subject to any terms, conditions, covenants, limitations, exceptions, reservations, or stipulations governing AEROJET's activities and use. Only valid existing rights outstanding on the commencement date hereof and the reservations and stipulations provided for herein shall run with the land and be binding upon AEROJET, its successors and assigns.

(4) The SECRETARY expressly confirms and agrees that, except as stated herein, the United States excepts and reserves no easements or other rights or claims in the LAND to have access to the LAND or to otherwise utilize or develop any resources in or on the LAND, including without limitation, oil and gas, valuable minerals, and sand and gravel, and agrees to make no claims for adequate access to any of the property included in the LAND.

(5) The SECRETARY agrees to lease the LAND to AEROJET subject to valid existing rights including, but not limited to, the unexpired term of any outstanding lease, license, permit, contract or right of way; provided, however, that the SECRETARY agrees to terminate or suspend, if terminable or suspendable in the judgement of the SECRETARY without liability to the United States, that portion of any such lease, license, permit, contract or right of way which authorizes activity on the surface or mineral estates of the LAND.

(6) The SECRETARY agrees to take all steps within his power to notify persons with grazing privileges that their

privileges will terminate at the first opportunity provided by law or contract without additional liability to the United States, and to execute any and all documents necessary to accomplish such revocation or termination of grazing privileges.

(7) The SECRETARY agrees that, notwithstanding any other provision of this LEASE, AEROJET shall be free to challenge the rights of any party claiming an interest in the LAND, whether by way of lease, license, permit, contract or unpatented mining claim, which challenge or challenges the SECRETARY shall not take a position adverse to AEROJET.

ARTICLE 12. Modification

A. THE PARTIES agree that this LEASE may be modified, amended or surrendered by a written instrument executed by THE PARTIES.

ARTICLE 13. Execution in Counterparts

A. For purposes of expediting execution of this LEASE, it may be signed in separate counterparts by THE PARTIES, which when all have been so signed, shall be deemed the single LEASE.

ARTICLE 14. Governing Law

A. This LEASE shall be construed in accordance with the laws of the State of Nevada.

ARTICLE 15. Gender

A. Feminine or neuter pronouns shall be substituted

for those of the masculine form, and the plural shall be substituted for the singular number, in any place or places herein in which the context may require such substitution.

ARTICLE 16. Article Headings

A. The Article headings in this LEASE are inserted only as a matter of convenience and reference. They are not to be deemed as limiting in any manner the content of the provisions which they describe and are not to be given any effect whatsoever in construing the provisions of this lease.

ARTICLE 17. Partial Invalidity

A. If any term, provision, covenant or condition of this LEASE or the application thereof, to any person or circumstance shall to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this lease or the application of such term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision, covenant or condition of this LEASE shall be valid and be enforceable to the fullest extent permitted by law.

ARTICLE 18. Time of Essence

A. It is understood and agreed between THE PARTIES that time is of the essence with respect to all the terms, provisions, covenants and conditions of this LEASE.

ARTICLE 19. Force Majeure

A. Neither the SECRETARY nor AEROJET shall be required to perform any term, condition, or covenant in this LEASE so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental authority, civil riots, floods and any other cause not reasonably within the control of the SECRETARY or AEROJET and which by the exercise of due diligence the SECRETARY or AEROJET is unable, wholly or in part, to prevent or overcome. Lack of money shall not be deemed force majeure.

ARTICLE 20. Entire Agreement

It is expressly understood and agreed by and between THE PARTIES that, except as otherwise stated herein, this LEASE sets forth all the promises, conditions, and understandings between the SECRETARY and AEROJET relative to the lease of the LAND and that there are no promises, conditions, understandings, warranties or representations, oral or written, express or implied, between them other than as herein set forth.

ARTICLE 21. General Provisions

A. The following general provisions shall apply to each of the provisions of this LEASE, except to the extent specifically provided otherwise in such provision:

(1) THE PARTIES mutually covenant and agree not to

sue each other challenging the legal authority or capacity of the SECRETARY or AEROJET to enter into this LEASE or to effectuate any provision herein, provided that nothing herein shall be construed to prevent either party from suing to enforce this LEASE or seeking any other available remedy upon a default under this LEASE.

(2) As used in this Agreement, the term "SECRETARY" shall include the Secretary of the Interior or his authorized representative.

(3) As used in this LEASE, the term "AEROJET" shall include its successors and assigns, except as otherwise limited herein.

(4) THE PARTIES agree that any clerical and typographical errors contained herein may be corrected upon notice to the other party, unless such errors are deemed substantial or otherwise objected to by either party within 60 days by written notice. Correction may be made without formal ratification by THE PARTIES.

IN WITNESS WHEREOF, THE PARTIES have set their hands and seals as of the dates below written.

AEROJET-GENERAL CORPORATION

By: _____
Ralph E. Clark
Executive Vice President,
Aerojet Nevada
A Division of Aerojet-General
Corporation

_____
Date

UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

_____
Date